

Winter 2019

DEALS REVIEW 2018

Certainty, Confidence,
Challenge & Change

Increasing Deals with Private Equity

Client Case Study: Vivona Brands Ltd

Client Case Study: Framptons

Recent Deals



CERTAINTY, CONFIDENCE, CHALLENGE AND CHANGE...

As we begin 2019, there's never been a time when businesses have been so hungry for answers to so many complex and practical questions. Bank of England governor, Mark Carney, said business is close to the point of "maximum uncertainty."

Continuing uncertainty over Brexit, slowing global growth, confusion for exporters and an unstable political environment all contribute to fears of subdued growth and an increasing impatience for answers.

Whilst the British Chambers of Commerce warns that by 2020 the economy will have experienced its second weakest decade, Philip Hammond said the era of austerity was "finally coming to an end" in his Budget at the end of October, after upgraded forecasts for government borrowing and growth enabled the chancellor to increase public spending.

Clarity on Brexit, and precisely how the UK's future relationship with the EU will unfold are undoubtedly shaping expectations for both business investment and export growth. It is therefore encouraging to see much evidence of business confidence, optimism and new investment across the Leumi ABL regions. Our client portfolio is growing and we are pleased to see healthy levels of referrals for new deals across a diverse range of sectors.

The deal making community is staying busy and Leumi ABL will continue to stick to what we do, working closely with our professional introducers and increasingly with the PE community across the UK, providing confidence and certainty, whilst focusing on the quality of our client relationships at all stages of the deal process.

Thank you for your continuing support and referrals. As always, we are delighted when this also results in a number of ABL awards for our team, including ACQ Global, Finance Monthly Global and Thames Valley Dealmakers 2018.

We look forward to working with you throughout 2019 and bringing confidence and stability to our growing client portfolio.



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INCREASING DEALS WITH PRIVATE EQUITY

We continue to work closely with the Private Equity community, and are pleased to have supported an increasing range of PE sponsored deals.

We are proud of our growing reputation amongst the PE community as an ABL provider that can deliver on innovative solutions efficiently and effectively, having provided funding for growth with a real client focus to aspirational businesses.

Biosite Systems - £multi-million invoice discounting facility



Leumi ABL supported Biosite Systems, a supplier of biometric workforce management and site security solutions into the construction sector. Backed by Mobeus Equity Partners, Biosite provides technologically advanced fingerprint recognition devices and operationally enhancing control management systems. With a client base including many Construction Corporates, Biosite is at the forefront of contractor management and project efficiency in the sector.

Amit Hindocha (Investment Director, Mobeus Equity Partners): "We approached Leumi due to their ability to structure business-appropriate financing packages. Leumi has delivered a funding solution which will provide essential flexibility and support for Biosite's growth ambitions."

DDD Ltd - £10m ABL facility

Leumi has provided ABL facilities of over £10m to DDD Ltd, a manufacturer and distributor of health and beauty brands globally via its Dendron and Fleet subsidiaries.

The business has combined debtors, property and plant assets to provide funds for investment and growth at a time when the business is expanding internationally in both existing and new markets.

Charlie Wadsworth
(Group CFO, DDD):
"Leumi have been great to work with in arriving at the right facility to enable significant investment into the business over the next several years. This is an important phase of growth for the DDD Group and we are really happy to be working with Leumi who are a helpful, flexible and collaborative partner."



CLIENT CASE STUDY: VIVONA BRANDS LTD

Leumi ABL has provided a £12.5m structured ABL and term loan facility to support the refinancing of Private Equity owned brands business, Vivona Brands. The refinancing provides a flexible funding package to support Vivona's rapidly expanding international business.

Putney based Vivona Brands delivers on-trend beauty, wellbeing and lifestyle brands to global fast fashion and beauty savvy consumers through an international retail customer base extending to 80 countries

Inflexion, the award winning UK mid-market Private Equity house, invested originally in the business in 2012. Since then, revenues have increased more than threefold to in excess of £40m, with an international client list including several FTSE 250 and NASDAQ 100 Companies.

Simon Russell, Exec Chairman of Vivona Brands, said: *"We are delighted to have secured this funding from Leumi ABL to support our continued growth. Leumi have taken the time to understand the intricacies of our business and the international market dynamics in which we operate and structured a facility to meet our requirements. We have already developed a close relationship with Leumi and look forward to their continued support."*

Martin Risman, Leumi ABL Regional Sales Director, commented: *"It has been a complex process and extended transaction during which we appreciated working with highly committed management at Vivona Brands. The structure of our facilities, aligned to the sponsor support, provides an apposite funding base from which the business can continue to develop and further prosper."*



LEUMI ABL SEE A CRACKING FLOW OF DEALS

Leumi ABL has provided a £7m Asset Based Lending funding line to Framptons, the £43m turnover manufacturer of egg products and processor of liquid products, comprising debtor finance, plant finance and term loan.

The funds enable Framptons, which was bought by the current team in an MBO in 2014, to invest in further new product development for bakery and food service customers and for specific capital expenditure projects – money that was unavailable from their clearing bank.

Allan Staples, Finance Director at Framptons, said:
"We had discussions with other finance providers but Leumi ABL were very proactive in helping us through the process. They worked closely with us to understand our requirements and were keen to find a solution that would work for our business. They were also rigorous in making sure everything was in place so that the deal could be finalised as smoothly and promptly as possible."

The re-finance was introduced by Translink Corporate Finance, a leading independent M&A and corporate advisory firm with a focus on UK and cross-border deals.



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